

## Short-Term American Rescue Plan Act Funding for California's Home and Community Based Services

Adam Parker, MA, MPP  
Northeastern University

Hanna Hamilton, MPH, MPP



### Summary

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 (ARPA), allocating unprecedented funding for Home and Community-Based Services (HCBS) efforts in California. This funding opened new avenues of training and support for the state's overworked and underpaid caregivers, a population primarily made up of women and people of color, who are critical in supporting our state's older adults and disabled people. Originally planned as the first stage of a more ambitious effort to direct resources to the "care economy," much of the ARPA funding has now been spent, and the programs supported either shuttered or drastically curtailed.

This policy brief is adapted from work undertaken by the Community to Community Impact Engine (C2C) at Northeastern University on behalf of Caring Across Generations, a national nonprofit organization that advocates for policy solutions to support the nation's caregivers. The complete report, "Navigating Care: Short-term American Rescue Plan Act funding for California's Home and Community Based Services highlights the need for long-term sustainability" is available on the Caring Across Generations [website](#).

## Methodology

Our research, conducted in 2023 and early 2024, focused on three primary areas of ARPA spending:

1. **Wage Increases for Caregivers:** Examining the effects of wage increases on job satisfaction and quality of life for caregivers of people with intellectual and developmental disabilities.
2. **Job Training Programs:** Evaluating the effectiveness and reach of job training programs designed to enhance the skills and career prospects of care workers.
3. **Support for Unpaid Family Caregivers:** Determining whether supportive services and training made available by the HCBS spending plan alleviate the economic, physical, and emotional challenges that are placed on unpaid caregivers.

Our study utilized a combination of quantitative and qualitative research methods, including a detailed survey of 117 caregivers, an investigation of state- and national-level data, and an extensive literature review. At the heart of this effort was our direct work speaking to people connected with caregiving in California. In all, we interviewed 36 caregivers about their challenges and experiences. We also spoke to 29 subject matter experts, including state and county officials, administrators of community-based organizations, academics, labor organizers, and policy advocates.

## Key Findings

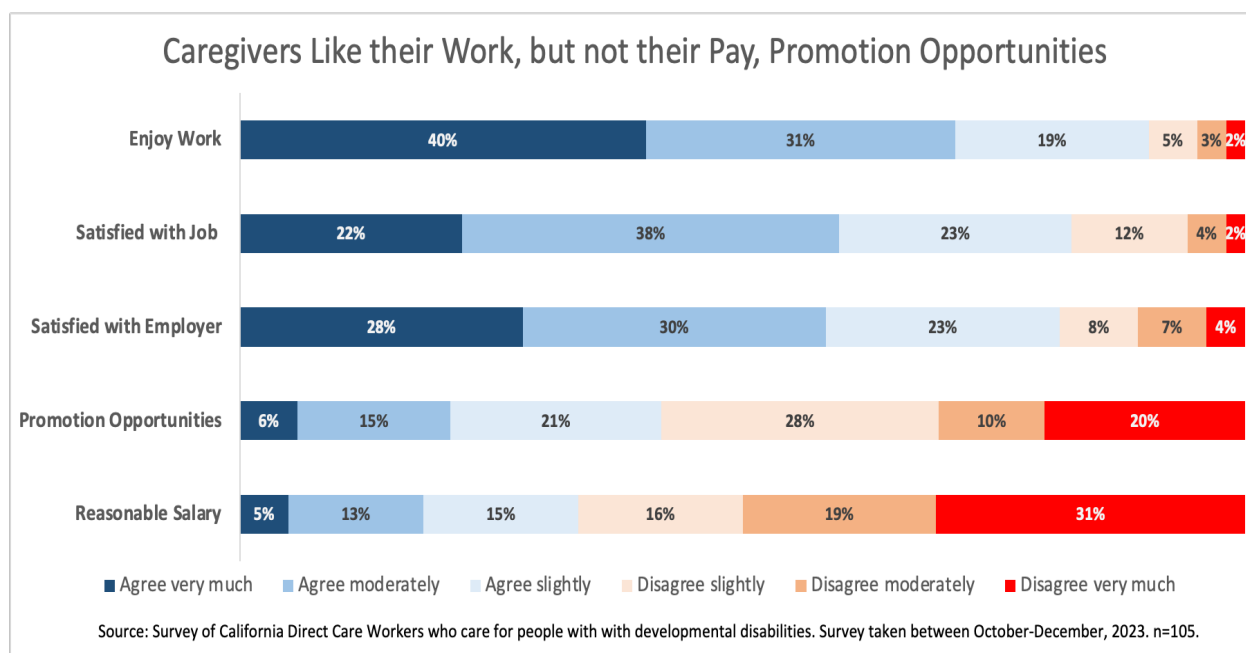
The findings from our research suggest that ARPA funding provided critical support to California's HCBS system during a time of unprecedented need but leaves in place a patchwork system that requires more funding and clear employment paths that enable caregivers to improve their skills and be compensated fairly for their labors. Specifically, we found that:

- Caregivers supporting disabled people, despite state attempts to raise their pay, experience significant dissatisfaction with their pay and working conditions, even as they gain personal satisfaction from their work.
- Paid job training programs aimed at both In-Home Supportive Service (IHSS) and other care workers were popular and effective but reached relatively few people and overlooked the need to make any changes to a system that fails to provide adequate compensation that reflects the knowledge and skill of this workforce.
- Rushed implementation, contractual challenges, and short timelines hampered the effectiveness of new ARPA-funded programs, making them more expensive to launch and operate. Spending deadlines approached just as the programs were reaching their peak effectiveness.
- Family caregivers — often unpaid — finally gained new opportunities to access training programs, respite care, and other services, but too few resources were directed at this large population, and these caregivers continue to be underserved by state and federal actors.

## Wage Increases for Caregivers

One of the costliest elements of the HCBS spending plan focuses on increasing rates for providers of developmental disability services, or Direct Support Professionals (DSPs), through Medi-Cal, California's Medicaid program. Recognizing the critical need for support, a state-commissioned rate study determined that the state would need to spend an additional \$1 billion annually to raise rates to a level that would ensure an adequate number of providers to care for this population. The state set in motion a plan that would raise rates to a targeted level by 2024 (this timeline has since been delayed to 2025). The HCBS Spending Plan dedicates \$945 million in addition to an ongoing \$1 billion allocated through the state budget to implement these rate increases and strengthen the infrastructure for this critical work.

Caregivers surveyed reported enjoying work and, to a lesser extent, being satisfied with their jobs. When faced with questions about satisfaction with employers, adequate promotion opportunities, and if they felt they were paid fairly, satisfaction levels decreased. While over half of those surveyed enjoyed their work, fewer than 1 in 20 reported they "very much" agreed that they were paid fairly. By contrast, over half very much disagreed with the idea that they were paid fairly.



The attitudes of workers in our survey reflect the realities of caregivers in California. According to the Public Health Institute, direct care workers in California in 2022 were paid a median hourly wage of \$15.44.<sup>1</sup> Although the attempts to raise wages for Direct Support Professionals is a strong first step, that effort is still underway, and even if perfectly successful, would only reach a small percentage of caregivers in the state.

<sup>1</sup> Public Health Institute. "Workforce Data Center." <https://www.phinational.org/policy-research/workforce-data-center/#var=Wage+Trends&states=06>. Accessed Feb. 2024.

Despite general dissatisfaction with wages, caregivers who received salary increases expressed appreciation for them. “My salary increase does help,” stated a San Diego caregiver with three years of experience, “because I can afford an extra meal and extra groceries and extra goods.”<sup>2</sup>

Caregivers also expressed their desire to do more. While some caregivers expressed a desire solely to care for their own loved ones, many, like a four-year caregiver in Los Angeles, would like to make caregiving a long-term career — and would like the opportunity to “progress in [her] career.”<sup>3</sup> That desire for career advancement — and how the ARPA money was used to foster those opportunities — was the subject of the next phase of this report.

## ***Job Training — Exciting Opportunities, Bureaucratic Obstacles***

California and the nation continue to experience severe shortages of caregivers to meet the growing needs of the older adults and disabled people. In California, the shortage of direct care workers (DCWs) — estimated to be 3.2 million in the coming years — is exacerbated by low wages, difficult working conditions, and the challenge of providing language access and culturally competent care for an increasingly diverse population.<sup>4</sup> Further, because caregiving jobs “are often erroneously termed as ‘unskilled’ or ‘low-skilled’” — in part due to “systems of discrimination that have assigned low value to work traditionally performed by women, people of color, and immigrants” — underdeveloped training systems hamper the ability for caregivers to develop skills and credentials that would enable them to advance their careers.<sup>5</sup>

Recognizing the importance of addressing these issues, California prioritized increasing training opportunities for caregivers when approving its ARPA-enhanced HCBS spending plan. Most caregivers supported by the state are paid through the In-Home Supportive Services (IHSS) program. Another \$150 million was allocated to support non-IHSS workers who provide care, primarily through the CalGrows program, administered through the California Department of Aging.<sup>6</sup> The different structures and audiences of these programs, while providing similar services, highlight the complexities and inefficiencies inherent in California’s job training infrastructure.

## ***Obstacles to Program Design***

A rushed implementation timeline resulted in challenges with program structure, impacted course offerings, and fostered contractual issues that led to an inefficient use of resources. Providers rushed to publicize their programs and develop computer systems and organizational structures that would meet the needed demand while completing a bidding

---

<sup>2</sup> Personal Interview. 28 Nov. 2023. To protect the anonymity of the respondents, we are only using general terms to describe them, rather than their names. All interviews were conducted between November 2023 and January 2024.

<sup>3</sup> Personal Interview. 15 Nov. 2023.

<sup>4</sup> California Department of Aging. Jan 2021. “California’s Master Plan for Aging.” <https://www.aging.ca.gov/download.ashx?IE0rcNUV0zZe1bBmXluFyg%3d%3d>. Accessed 12 September 2022.

<sup>5</sup> Campbell, Stephen et al. 2021. “Caring for the Future: The Power and Potential of America’s Direct Care Workforce.” PHI. <https://www.capaihss.org/wp-content/uploads/2023/01/Caring-for-the-Future-2021-PHI.pdf>.

<sup>6</sup> State of California Department of Health Care Services. 2023. “Updated HCBS Spending Plan Projection.” <https://www.dhcs.ca.gov/provgovpart/Documents/HCBS-Quarterly-Spending-Plan-Q2.xlsx>.

process to vendors that would offer training. According to an official at the organization that offered 85% of Career Pathways online training sessions, her organization had only a few months to customize over 100 courses, translate content into multiple languages, set up a student support team, develop an online course catalog and training registration system, and hire a team of over 20 experienced teachers to lead over 1,000 live training sessions a month.<sup>7</sup>

Impacted classes and a lack of guidance in selecting courses resulted in caregivers encountering difficulties accessing training that aligned with their job requirements or personal interests. A financial incentive structure rewarded caregivers for having taken certain course patterns, but without sufficient coaching and assistance, caregivers were not always sure which classes to take. The result was an often confusing and transactional training program where participants scrambled to take whatever courses they could get as long as they would be paid for them, leading to issues of "superusers" in too many (or incorrect) courses while others struggled to get into any. The rushed process also hampered the program's ability to create an effective waiting list system, leaving coveted classroom spots unfilled when someone dropped out of the course.

In contrast to fostering systemic change, the prevailing preference leaned heavily toward "shovel ready" programs. Given time and program flexibility from the state, many providers would have experimented with creating novel approaches, designing new course sequences including requiring some prerequisites, and considering new training modalities, but the need to get to scale immediately precluded those possibilities.

Our research finds that the stakeholder engagement undertaken to inform program design largely was successful in addressing language and many technical barriers to accessing training. Further, programs' initial evaluation documents show satisfaction with the courses, and providers reported increased levels of knowledge, including in pre-/post- surveys. Our own interviews echoed this satisfaction. As one caregiver with 18 years of experience shared, "[I]n every class there's actually something that you learn, like, 'hey, this pertains to my situation.' They are very helpful. I can't even express that enough."<sup>8</sup>

Although students enjoy the courses, many were confronted quickly by the "now what?" problem. Despite passing the class and gaining valuable knowledge, the courses offered few tangible markers of success and no connection to increased pay or better working conditions. This complaint was echoed by virtually everyone we spoke to, from care workers to course providers to advocates and even some government officials. State officials and course providers expressed that they would have liked to design programs that offered usable credentials but that the time crunch — and most importantly, the state infrastructure — made that impossible.

The CalGrows program exemplified the challenges and possibilities of ARPA expenditures. Unlike IHSS Career Pathways, which targeted the large well-established In-Home Supportive Services (IHSS) network, CalGrows was designed to offer similar training to unlicensed and certified nursing assistants who were not IHSS participants. This held open the possibility that

---

<sup>7</sup> Interview with Kayt Norris. 4 Dec. 2023.

<sup>8</sup> Personal Interview. 19 Dec. 2023.

CalGrows would accommodate a more diverse group in terms of employer arrangements, but also made participation harder to predict.

As with other programs under the ARPA spending umbrella, the timeline proved a significant challenge. CalGrows launched officially only in May 2023 (although some grantees began work in March 2023), with an original end date of December of 2023, since extended to September 2024). As with IHSS vendors, grantees had to staff up and develop curriculum quickly knowing that many newly hired employees would have an exceptionally short term.

As grantees individually created classes, it led to a significant duplication of effort in the CalGrows catalog. For example, a search for “understanding dementia and Alzheimer’s” revealed 175 courses. Nevertheless, the CalGrows program’s programmatic diversity holds the potential to bring new ideas to the state’s efforts to reach potential caregivers. A statewide evaluation of the CalGrows program by researchers at UCSF — expected in late 2024 or early 2025 — should yield more information about program successes and obstacles. The hope is that the lessons learned from the evaluation will provide, as one official put it, “a good starting point for a permanent program.”<sup>9</sup>

### ***Unpaid Caregivers and their (small) slice of the ARPA pie***

The California Department of Aging estimates that two-thirds of all older adults requiring long-term services and support (LTSS) receive all help from unpaid relatives, friends, and often referred to collectively as “family caregivers.” In 2020, 1 in 4 Californian caregivers provided 20 or more hours per week of care to a family member or friend, but only around 1 in 11 caregivers received pay for the hours devoted to caregiving. As Christina Irving, Client Services Director at Family Caregiver Alliance, points out, unpaid family caregivers not only are forgoing income, but they are financially responsible for expenses ranging from incontinence supplies to mental health support to home modifications like grab bars and wheelchairs — often with no support from Medicare.<sup>10</sup>

Despite the significant need for assistance for family caregivers, many of whom are forced to leave their jobs to support family or loved ones, federal and state programs undervalue the true cost of aging and disability care while continuing to leave care workers underpaid. For example, Medi-Cal, which funds the majority of long-term care services and supports including home and community-based care, has long been under-resourced, which exacerbates the challenges faced by family caregivers. ARPA HCBS spending loosened eligibility rules, enabling unpaid family caregivers to access some programs that had only been available to paid workers. Family caregivers gained the opportunity to access support services such as limited respite services and job training through ARPA funding. Even those limited steps point the way toward potentially valuable changes that could be made in the future. However, despite these incremental advancements, systemic issues persist in the allocation of resources for aging and disability care.

---

<sup>9</sup> Personal Interview. 12 Dec. 2023.

<sup>10</sup> Irving, Christina. Personal Interview. 13 Dec. 2023.



CalGrows opened training to non-IHSS workers, allowing family caregivers to take valuable courses covering topics like caring for people with dementia, preventing falls, and understanding the aging process. As with paid care workers, they could sign up for courses on the CalGrows website and choose from live in-person training or self-paced remote courses. Program rules, however, specifically prevented unpaid caregivers from being compensated for their time, adding an additional challenge for people who likely already face difficulties in securing care for their loved ones. While those receiving payment for caregiving over the previous 60 days could conceivably earn as much as \$6,000 in incentives for taking courses — including \$30 an hour for taking certain classes — family caregivers are only allowed to take classes free of charge. Moreover, some classes available only targeted paid caregivers, something not clear until after beginning the registration process.

The lack of a distribution mechanism for information also restricted participation. Caregiving can be isolating work. Caregivers must first become aware of available courses in order to take them, yet there is no centralized database for contacting people caring for family members. Despite efforts by administrators to target this population through advertising campaigns, the results were predictably constrained by these challenges.

## Conclusions

The California ARPA experience demonstrates why one-time spending, while valuable, is no match for structural changes accompanied by a spending plan that is organized, provides proper incentives, and can be sustained for the long haul. While it will be years before we know the full impact of all the spending on caregiving that came with ARPA in California, from our interviews we can draw several conclusions:

**Demand for courses, wages, and support was strong.** Survey data, course sign ups, and interviews reveal that caregivers and care recipients have critical needs that are not being addressed adequately by the current system. Even with a hurried setup, limited course windows, and insufficient (and insufficiently targeted) advertising, caregivers flocked to courses that would enable them to improve care for the people that they assisted. With only modest financial support (and for some, not even that) and despite the obstacles, caregivers actively sought out these courses, finding classes and programs that provided both financial and educational opportunities.

**ARPA programs benefited people's lives.** The ability to take a course, receive a stipend, or acquire some career coaching provided definite value to recipients. Those with increased wages explained how the additional money helped, while those with new knowledge complained about the challenges of accessing courses, but rarely about the courses themselves. Family caregivers finally got access to some services from which they had previously been locked out.

**The rushed timelines for spending worked against innovation and change.** While state actors have been debating creating new classifications for care workers and highlighting a need to change the training paradigm for years, the rapid infusion of cash brought by ARPA did little to change the status quo. With no established consensus on how to move forward and program rules that rewarded safety over innovation, programs mostly reinforced existing systems of care.

**Much of the progress made from this spending may be ephemeral.** Over half a million people received stipends for their caregiving work during the pandemic. While the program's \$500 payments are not life changing, many government and program officials lamented that the valuable programs they had created would now have to be dismantled. Furthermore, with a “churn” of 33% in the field, many of the caregivers reached by this program — a small fraction of the total — are likely leave the profession in the coming years, especially as their increased knowledge will not lead (in most cases) to increased pay. And though efforts to raise pay for care workers supporting those with disabilities is the kind of fundamental change that the state needs, pay for those workers will in many cases be dwarfed by a new \$25/hour minimum wage that will go to “covered health care employees” who work “primarily on the premises of a healthcare facility” or even a \$20 minimum wage for fast-food-industry workers.<sup>11</sup>

## Policy Recommendations

The findings of this study point to the need for sustained investments at both the state and federal levels as well as policy reforms that would lead to structural changes that would support older adults, people with disabilities, and family caregivers. The following recommendations can help the state take advantage of the ARPA experience to improve caregiving in the state.

**Support statewide collective bargaining rights and family-sustaining wages and benefits for the IHSS workforce.** Statewide collective bargaining rights would strengthen the bargaining power of direct care workers, including family caregivers. Further, deeper partnerships with labor unions that actively promote career advancement will help ongoing efforts to develop a scaled credentialing system that ties advancements in training to salary increases.

**Improve coordination across agencies, communication, and feedback with the public and Direct Care Workers.** The workforce development efforts studied in this report make clear that a lack of coordination often resulted in duplication of services and a failure for agencies doing similar work to learn from each other to improve their service delivery. Designing a way to communicate directly with Direct Care Workers that will enable not just dissemination of information but also feedback has the potential to dramatically improve quality improvement efforts.

**Utilize public forums to highlight lessons learned from ARPA investments.** These events can help reveal how these investments benefited care recipients, family caregivers, and care workers, and make the case for continued investments while engaging key stakeholders to guide prioritization of future funding. Incentivizing counties and other entities to add to the library of training materials developed by the Cal Grows program and ensuring those materials remain readily available holds the potential to expand knowledge and improve training throughout the state.

---

<sup>11</sup> Ibarra, Ana B. 13 Oct. 2023. “New California law raises minimum wage to \$25 for health care workers.” CalMatters. <https://calmatters.org/health/2023/10/california-minimum-wage-health-care-law/>; State of California Legislature. 13 October 2023. “Minimum Wages: Health care workers.” Senate Bill No. 525: Chapter 890. [https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill\\_id=202320240SB525](https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240SB525).



**Allow undocumented family members to become IHSS workers of undocumented IHSS recipients newly covered through Medi-Cal expansion.** This would support the urgent need to recruit more workers into the direct care field and improve working conditions for direct care workers providing home and community-based services outside of the IHSS program. California Assemblymember Phil Ting proposed such legislation in 2023.

**Secure additional permanent state and federal funding streams that enable all of California's older adults and disabled people who need home and community-based services to receive it.** At the state level, this includes supporting legislation establishing a statewide long-term care social insurance program. At the federal level, previously introduced federal legislation such as the HCBS Access Act and a new non-Medicaid long term care public benefit would go a long way to ensure that the federal government prioritizes its responsibility to ensure that everyone has access to the care they need.



**Community to Community (C2C)** is an impact accelerator at Northeastern University designed to deepen the university's commitment to community engaged research at each of its global campus locations. We strive to move the needle on societal problems at the local level, benefitting the areas our university calls home, while also promoting knowledge transfer across communities that are grounded in the local context.